


~~SECRET NOFORN ORCON~~


12 August 1990

BACKGROUND PAPER  
IRAQ: SADDAM'S POLITICAL OPTIONS

Although Saddam Husayn is resolved to maintain his hold on Kuwait, his options are becoming increasingly complicated as US troops deploy in force to Saudi Arabia, UN economic sanctions begin to be implemented, and other Arab states become more resolute in their opposition to the takeover.

- o Baghdad's vehement anti-Saudi and anti-US rhetoric of the past few days has replaced previous assurances that Iraq has no hostile intentions against Saudi Arabia and indicates that Baghdad is laying the propaganda groundwork for possible further military action. 1.5(c)(d)  
1.6(d)(1)(5)
- o Saddam's inflammatory speeches and proposed "solutions" in the last few days echo his anti-Kuwaiti propaganda and extreme demands prior to the invasion. On 10 August he called on all Muslims to wage a holy war against US forces in Saudi Arabia and Western interests everywhere.
- o The "initiative" Saddam proposed on 12 August through a spokesman demanded the withdrawal of all Israeli forces from the occupied territories, Syrian withdrawal from Lebanon, the removal of US and Western forces from Saudi Arabia and their replacement by Arab forces, the reversal of UN sanctions, the return of worldwide trade with Iraq to the status quo ante, and negotiations with Saudi Arabia to determine the future of Kuwait. Israeli, US, and Syrian withdrawals must precede a solution to the Kuwaiti crisis. Saddam threatened "if America and its allies will not accept this initiative, we will resist by force."

  
We believe Saddam is assessing three options:

- o His preferred option at present apparently is to sit tight in hopes that poor enforcement and lack of resolve within the international community will cause UN sanctions to unravel.
- o If Saddam chooses to negotiate a settlement, we believe he would seek an Arab-mediated formula that grants Iraq significant financial and territorial concessions.
- o If no solution can be reached that allows Saddam to maintain de facto control of Kuwait, or if he believes that the US will use its growing military presence in Saudi Arabia to force him out of Kuwait, he is likely to conclude that he has nothing to lose by lashing out militarily. 

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NOV 1999

Iraq is a tightly controlled police state and Saddam, with the aid of his massive propaganda machine and pervasive security services, probably could deal with considerable loss of public support. His only real internal threat is from assassination. (S) ~~SECRET~~

### Hoping to Wait It Out

Saddam probably calculates that if UN sanctions are not backed up with force--such as a naval blockade--he can outlast the resolve of the international community to isolate him and reject Arab mediation efforts. He is determined not to return Kuwait to its pre-invasion status or give up its oil wealth and he hopes the world will come to accept his annexation of Kuwait as a fait accompli.

- o Saddam hopes that as the crisis drags on economic and oil market pressures will cause some countries to stop adhering to the UN sanctions. He is especially concerned about maintaining food imports. In a speech on 12 August, he urged Iraqi women to begin to conserve food. We estimate Iraq requires at least \$1 billion of food imports annually to avoid widespread shortages.
- o Baghdad is likely to continue to reject Arab mediation efforts while it gauges the resolve and ability of the international community to enforce sanctions. 1,5(c)(d)  
1,8(d)(1)(b)
- o Saddam can indefinitely keep the US and other Westerners caught in Iraq to play on Western popular concerns about their fate. A handful could be released periodically to maintain the appearance that these Westerners are not hostages.
- o ~~\_\_\_\_\_~~ He probably believes that his propaganda machine can maintain popular support for an extended period even if sanctions begin to deplete supplies of food and raw materials for industry and agriculture. If supplies run short, he could starve the Kurdish minority first, saving key supplies for the military and his Arab constituency.
- o In an effort to broaden Arab support at the mass level and deflect criticism of the invasion, the regime on Friday appealed to pan-Arab sentiments against foreign intervention and called on all Arabs to revolt against US presence in Saudi Arabia. Saddam explicitly called on the Arab "have-nots" to rise up against the oil rich Gulf states. (S) ~~SECRET~~

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### Seeking A Diplomatic Solution

If Saddam chooses to accept a brokered solution to the Kuwait crisis, we believe he would seek a face-saving, Arab-mediated formula that grants Iraq significant financial and territorial concessions, and continued de facto control of Kuwait.

- o Saddam probably would accede to an Arab-brokered compromise only if he is faced with a naval blockade or military intervention that cripples Iraq's economy, significantly increases discontent within the military, and threatens to destabilize his regime.
- o He almost certainly would press for financial concessions that include debt forgiveness and especially large amounts of cash, and a border settlement that gave Iraq possession of Warbah and Bubiyan Islands, as well as major adjustments along the land border. His financial demands would be in the tens of billions of dollars.
- o He almost certainly would not return control of Kuwait to the Al-Sabah family.

[REDACTED] Saddam probably would agree to elections in Kuwait if he is confident he can manipulate the outcome in Iraq's favor, possibly by demanding enfranchisement for Kuwait's Palestinian and non-Kuwaiti Arab populations. [REDACTED]

Saddam's harsh rhetoric, swift annexation of Kuwait, threats to retaliate for foreign military intervention, and massive propaganda effort make it extremely difficult for him to back down. To avoid the appearance of having gained nothing from the invasion, the regime's propaganda apparatus would try to deflect blame for the setback onto other Arabs who "caved in" to US manipulation, while hailing Saddam as the only Arab leader brave enough to stand up to Western imperialism. [REDACTED]

1.5(c)(d)  
1.6(d)(1)(6)

Saddam's greatest concern in conceding to any mediated solution probably would be to contain coup plotting within Iraq's military establishment.

- o He especially fears antagonizing his elite Republican Guard Forces, who carried out the conquest of Kuwait, play a critical role in preserving his hold on power, and who probably would view a withdrawal as a disgraceful capitulation to the US.
- o Given Saddam's record of ruthlessly suppressing suspected opponents, he is probably confident his security services can crush any civil unrest arising from public anger over a perceived surrender. [REDACTED]

#### Would He Rather Fight Than Switch?

If no solution can be reached that allows Saddam to claim some measure of victory, he is likely to turn to military options. [REDACTED]

- o He could with little or no warning launch a full-scale attack against Saudi Arabia, an attack against oil tankers servicing Saudi Arabia, or US naval forces in the Persian Gulf. [REDACTED]

[REDACTED] Saddam could strike at Israel to turn the conflict into an Arab-Israeli war.

- o Given the rapid deterioration of US-Iraqi ties and Iraq's deepening isolation in the Arab and international communities, Saddam is likely to resort to any means available, including the taking of US citizens as hostages, to forestall US retaliation

against Iraq. Baghdad almost certainly intends its refusal to allow US citizens to leave Iraq or Kuwait as a signal.

- o Saddam could use his formidable terrorist capability over the long-term against US, European, and Israeli targets to weaken popular support for sanctions or military intervention in Saudi Arabia or Kuwait.

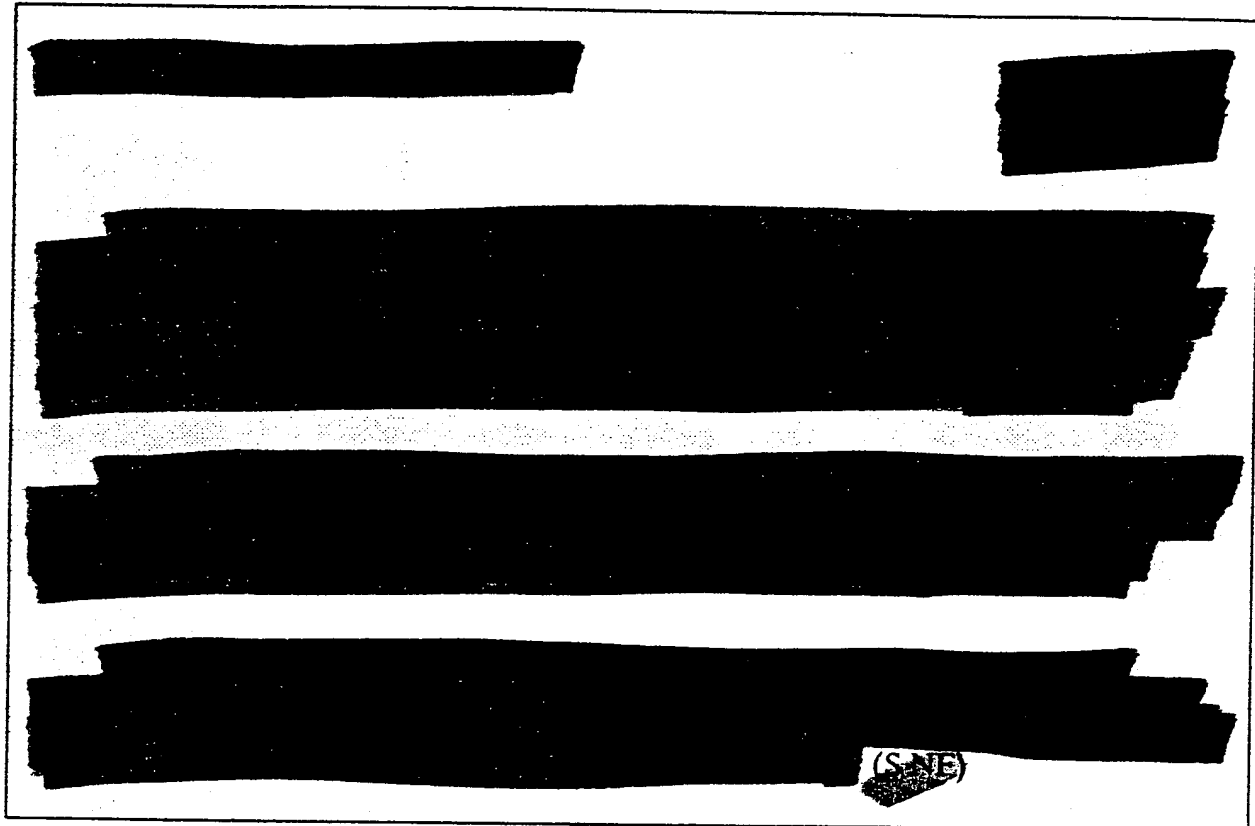
(S, NF)

1.5(c)(d)  
1.6(d)(1)(c)

### SADDAM'S FIGHTING WORDS

Saddam's call--"Save Mecca and the tomb of the Prophet from occupation"-- on 11 August for Arabs to rise up against the US and Saudi Arabia:

- o "...The imperialists, the deviationists, the traders and brokers of politics, and the lackeys of the foreigners have joined ranks against Iraq..."
- o "...The US forces came, and the doors of Saudi Arabia were opened to them under a false and lying claim that the army of Iraq will continue the militant struggle toward them. Neither denial nor explanation has worked. This means that there are deliberate arrangements to commit aggression against Iraq..."
- o "...Burn the ground beneath the feet of the aggressive invaders who harbor evil against your people in Iraq, and who have set out to spread their evil throughout the Arab homeland to stifle the voice of justice in the Arab nation..."
- o "...Strike their interests wherever they are, and save Mecca and the tomb of the Messenger Muhammad..." (U)



1.5(e)(d)  
1.6(d)(1)(b)

#### SADDAM'S PAST RECORD ON COMPROMISE

Notwithstanding his belligerent stance, Saddam has in the past demonstrated a willingness to compromise to ensure the security of his regime.

- o Saddam in 1975 signed the Algiers Accord with Iran and made border concessions in return for Iran's agreement to stop assisting Iraq's Kurdish rebellion.



- o In 1989 he retreated from his aggressive efforts to supply Lebanon's Christians with heavy weapons, when confronted by a Syrian naval blockade of Lebanon.

In none of these situations were the political or military stakes as high or as dangerous for Saddam. (S, NE)